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TAGS: [PGOV](#) [PHUM](#) [PINR](#) [PREL](#) [HK](#) [CH](#)
SUBJECT: PRC MFA COMMISSIONER DISCUSSES DEMOCRATIC REFORM,
HONG KONG POLICY ACT REPORT

REF: A. STATE 88966

- [1](#)B. HONG KONG 1551
- [1](#)C. HONG KONG 1832
- [1](#)D. HONG KONG 1853

Classified By: Consul General James B. Cunningham. Reasons: 1.4 (b, d).

[1](#)1. (C) Summary: Beijing's Ministry of Foreign Affairs Commissioner to Hong Kong Lu Xinhua told the Consul General on July 11 that U.S.-China relations were "the best they've ever been" and that Beijing was "very satisfied" with the latest round of the Senior Dialogue meetings in Washington. During a cordial luncheon conversation, Lu also raised the Department's recent Hong Kong Policy Act report, remarking that China's consistent stance has been that Hong Kong is an internal issue and the State Department has "no need" to issue such a report. China had noted, however, that our report's appraisal of the past ten years had been generally positive, though China took issue with a few points. The Consul General pointed to the PRC government's many recent citations of foreign observers' positive assessments of Hong Kong after 10 years of Chinese sovereignty and observed, "You can't accept the positive evaluations without accepting comments on issues where we have concerns." Discussing Hong Kong's constitutional reforms, Lu said he recognized that democracy in Hong Kong would have to meet international standards for "one person, one vote." He noted that Beijing should avoid comments on the reform process and said the most important task is crafting a proposal that will be accepted in Hong Kong. The Consul General cautioned against the Hong Kong government or Beijing opting for a narrow "victory" with a bare majority of popular support for the implementation timeline and structure of Hong Kong's new electoral systems -- only reforms which enjoyed a broad consensus would lead to a stable and viable political structure. Lu took that point on board, but noted that Chief Executive Donald Tsang would be "challenged" to build a broad popular consensus. Positions were very far apart -- it would require a lot of compromise. China recognized, said Lu, that foreign countries "can make general statements about the situation in Hong Kong" during this process, but foreigners "ought not to make statements on the specifics." End Summary.

[1](#)2. (C) Comment: Lu's presentation overall was low-key and positive. He emphasized the USG's generally up-beat assessment in the Hong Kong Policy Act report, touched on some points of disagreement in the report and delivered the mandatory rejection of our right to comment on this "internal issue," all in a tempered way. Lu made a point of stating that he appreciated the good communication he had established with the Consuls General of the United States and the UK, as well as the EU Commissioner (three persons who regularly

comment on implementation of the Basic Law), and noted that China understood that some commentary from foreigners during the political reform process would be inevitable. Not once did he raise the issue of foreign "interference" in Hong Kong political affairs. While China's principled stance on these issues has not changed, Lu's calm and rational presentation and his remarks about Beijing wanting to avoid making high-profile interventions during Hong Kong's consultation process seem to indicate Beijing's more sophisticated current approach to winning hearts and minds here.

The U.S.-China Senior Dialogue

13. (C) Commissioner Lu Xinhua opened the discussion at a luncheon in the Residence July 11 by relaying Beijing's very positive assessment of the June 20 U.S.-China Senior Dialogue in Washington (Ref A). VFM Dai Bingguo had been very impressed, said Lu, with the constructive tone and substance of the dialogue. U.S.-China relations were "the best they've ever been" and we're working cooperatively on a range of important issues. China is "very satisfied with the Bush administration's position on Taiwan," but urges us to refrain from sending any "wrong signals" to Taiwan, especially regarding arm sales.

The Hong Kong Policy Act Report

14. (C) The PRC counselor in Washington had already delivered the Chinese government's response to the recent Hong Kong Policy Act report, said Lu. The Chinese government's consistent position is that Hong Kong is an internal Chinese issue and there is "no need" for the State Department or other foreign governments to make comments on it. With the

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exceptions of a couple of points in the report with which the Chinese government disagreed, however, Beijing recognized that the USG assessment of Hong Kong's past ten years had been "generally very positive." The Chinese government specifically did not agree with the report's statements that interpretations of the Basic Law by the National Peoples' Congress Standing Committee (NPCSC) had been "troubling" or had "undermined Hong Kong's the autonomy." He ticked through the three NPCSC interpretations, noting that two of them had been done at the request of the Hong Kong government (Ref B).

Lu also rejected claims that Hong Kong's press was increasingly subject to self-censorship, and pointed to the (often harsh) criticism of the PRC central government and the HKG to be found in the Apple Daily and the Oriental Daily -- "Hong Kong's press is free and says what it wants."

15. (C) The Consul General responded that he had noted numerous occasions during the tenth anniversary period on which State leaders had pointed with pride to the generally positive assessments by locals and foreigners of Hong Kong's progress after ten years as part of the People's Republic of China. Those positive assessments, however, have little credibility if we don't also draw attention to the areas where there are shortcomings or concerns, said the CG. In the U.S. case, our commentary and analysis inform those in the U.S. government public who are interested in Hong Kong developments -- this process is in China's and Hong Kong's interests, even if they don't agree with every observation. This dynamic will be part of our relationship with the PRC in Hong Kong, and it can be a positive one.

Hong Kong's Constitutional Reform

16. (C) Turning to Hong Kong's democratic development (the HKG released its long-awaited "green paper" on options for electoral reform just after the lunch; Refs C and D), the Consul General expressed his hopes that the anticipated three-month consultation period, during which Hong Kongers

would debate the various options in the green paper, would lead to a "genuine dialogue among all the interested parties" and eventually a broad consensus. Lu noted that a successful reform proposal would satisfy three conditions: it would have the support of "more than 50%" of the Hong Kong people, two-thirds of Legco and the PRC central government. The CG cautioned that support by a "bare majority" of the Hong Kong people would lead to a fragile and potentially polarized outcome and the political situation would remain unsettled.

17. (C) The HKG and Beijing should be aiming for an authentic and broad dialogue which entails some compromise among all the interested parties, the CG continued. Only a genuine, large-majority consensus which absorbs a wide range of moderate viewpoints will lead to democratic reform which will be stable and long-lasting. Lu took these points and agreed that everyone would have to make compromises. He noted that the central government will avoid making public statements for or against any of the proposals. "Rule of law is important," he said with a smile; it's important that this process run through the proper stages, otherwise people will question the 'one country, two systems.' The central government needs to be careful: "Premature statements from Beijing will not be helpful. Even the U.S. government wouldn't like that," he claimed. The CG told Lu that the U.S. government would be watching the process closely and hoped to see that the dialogue was genuine, in good faith and resulted in a widely supported consensus. We were unlikely to make statements about specific details of the various reform proposals, said the CG.

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